

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2016

Docket No. ACR2016

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued January 3, 2017)

To clarify the basis of the Postal Service's service performance reporting in its FY 2016 Annual Compliance Report (ACR), filed December 29, 2016,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than January 10, 2017.

For several questions, the Commission proposes a table or chart format for the response for the Postal Service to use and adapt, if practicable. If the Postal Service cannot provide responsive information at the requested level of granularity, then responsive information should be provided at the most practicable level of granularity, along with a narrative identifying and explaining the level of granularity provided in the response. The Postal Service is encouraged to file a motion for clarification under 39 C.F.R. § 3001.21(a) should additional clarification be necessary.

1. The Postal Service states that a zero bundle review is required for every instance where preliminary data predict an External First-Class (EXFC) measurement system bundle failure for First-Class Mail Single-Piece Letters/Postcards subject to the 2-day and 3-5-day service standards.²

¹ United States Postal Service FY 2016 Annual Compliance Report, December 29, 2016.

² Docket No. ACR2015, Second Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination, Service Improvement Plan, June 27, 2016, at 4 (Service Response); Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-20 of Chairman's Information Request No. 22, November 15, 2016, question 1 (Responses to CHIR No. 22).

- a. Please confirm that only EXFC First-Class Mail Single-Piece Letters/Postcards received a zero bundle review in FY 2016. If not confirmed, please identify all other mailpieces that received a zero bundle review in FY 2016.
- b. Please provide the volumes and percentages of First-Class Mail Single-Piece Letters/Postcards that received a zero bundle review during FY 2015 and FY 2016, disaggregated by service standard. The responses may use the following format (or a more practicable alternative):

Total Volume and Percentage of First-Class Mail Single-Piece Letters/Postcards Receiving Zero Bundle Review				
Fiscal Year	FY 2015		FY 2016	
	Volume	Percentage	Volume	Percentage
2-Day				
3-5-Day				

- c. Please provide the volumes and percentages of First-Class Mail Single-Piece Letters/Postcards that received a zero bundle review during FY 2015 and FY 2016, disaggregated by District *and* service standard. The responses may use the following format (or a more practicable alternative):

Volume and Percentage of First-Class Mail Single-Piece Letters/Postcards Receiving Zero Bundle Review								
District	FY 2015				FY 2016			
	2-Day		3-5-Day		2-Day		3-5-Day	
	Vol	%	Vol	%	Vol	%	Vol	%
District A								

- d. Please explain what is the total population used to calculate the volume and percentages responsive to questions 1.b and 1.c (e.g., EXFC First-

Class Mail Single-Piece Letters/Postcards or all First-Class Mail Single-Piece Letters/Postcards).

2. Please define “bundle failure” and specify if the definition differs based on the applicable service standard. Service Response at 4; Responses to CHIR No. 22, question 1.
3. The Postal Service describes that the basic flow for Collections/First Mile of First-Class Mail Single-Piece Letters/Postcards involves receipt of a “cancellation mark” at the origin processing facility. Service Response at 2. Please define “cancellation mark.”
4. The Postal Service provides the percentage of EXFC First-Class Mail Single-Piece Letters/Postcards with collection delays through FY 2016, Quarter 2, disaggregated by District and service standard. Service Response at 26. Please provide this information for FY 2016, Quarters 3 and 4. The response may use the format used in Appendix A. *Id.*
5. The Postal Service states that “[f]or each of the 24-hour processing clock metrics, there is a national goal,” with “upper and lower control limits . . . calculated based on average performance and standard deviations” to account for “[s]light variation in performance” and describes tracking whether each facility meets each national goal. Responses to CHIR No. 22, question 2.b.i.
 - a. Please explain what is the total population used to calculate national goal percentages (e.g., First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that do not experience Collections/First Mile failure).
 - b. Please describe each of the following eight processing actions used as the basis for the 24-hour clock metrics:
 - i. Percent cancelled by 2000,

- ii. Outgoing primary cleared by 2400,
 - iii. Outgoing secondary cleared by 0030,
 - iv. MMP cleared by 1500,
 - v. Mail assigned to Commercial/FedEx by 0230,
 - vi. DPS second pass cleared by 0500,
 - vii. Carriers returned by 1700, and
 - viii. Trips on time between 000-0700.
- c. For each of the eight 24-hour clock metrics during FY 2016, please identify the 10 facilities with the most failures in meeting *each* national goal. For each facility identified, please state the number of times that the facility failed to meet that national goal during FY 2016 and the corresponding number of times that the facility failed to meet that national goal during FY 2015. The responses may use the following format (or a more practicable alternative) for *each* national goal:

10 Facilities With Most Failures to Meet National Goal # 1 (80 Percent Cancelled by 2000)			
Facility	Corresponding District	Number of times did not meet national goal # 1 in FY 2015	Corresponding Number of times did not meet national goal # 1 in FY 2015
1.			
2.			
3.			
4.			
5.			
6.			
7.			

8.			
9.			
10.			

6. The Postal Service states “[s]ites that failed to achieve service targets are ranked according to their total piece failures, producing a list of the bottom ten sites contributing to service failures. In FY 2015 and early FY 2016, if a site appeared on the ‘Bottom Ten’ report for four or more consecutive weeks, depending upon personnel availability, a service improvement team was created to assist the site. During FY 2016, the expanding use of Informed Visibility (IV) has enabled management to quickly identify specific causes for the service failures, virtually negating the need to send dedicated teams to a site.” Responses to CHIR No. 22, question 6.a.
- What products and classes of mail are tracked according to their total piece failures to produce the Bottom Ten report?
 - Please confirm that the Postal Service continued to generate the Bottom Ten report during the entire FY 2016. If not confirmed, please explain and identify when the Postal Service stopped generating the Bottom Ten report.
 - Please confirm that the Postal Service stopped deploying service improvement teams to sites based on the site’s appearance on the Bottom Ten report during FY 2016. If not confirmed, please explain.
 - Please identify all facilities that appeared on the Bottom Ten report for four or more consecutive weeks during FY 2015 and FY 2016. For each identified facility, please state the corresponding District, all dates the facility appeared on the Bottom Ten report, the number of total piece failures at that facility for each date, the total volume of mailpieces at that

facility for each date,³ and the number of times that service improvement teams were deployed to that facility during FY 2015 and FY 2016. The responses may use the following format (or a more practicable alternative) for each facility:

Facilities Appearing Four or More Consecutive Weeks in FY 2015 and FY 2016					
Facility	District	Dates on the Bottom Ten Report	Total Piece Failures	Total Piece Volume	Number of Service Improvement Deployments

7. The Postal Service provides the percentage of EXFC First-Class Mail Single-Piece Letters/Postcards with origin processing delays through FY 2016, Quarter 2, disaggregated by District and service standard. Service Response at 27. Please provide this information for FY 2016, Quarters 3 and 4. The response may use the format used in Appendix B. *Id.*
8. The Postal Service reports the air carrier capacity requested, air carrier capacity received, and air capacity gap for FY 2015 calculated using daily cubic feet volume, disaggregated by fiscal quarter.⁴ Please provide this information for FY 2016, disaggregated by fiscal quarter. The response may use the format used in the Responses to CHIR No. 2, question 19.b.

³ This volume should only report the mailpieces that are subject to tracking on the Bottom Ten report. See *supra* question 6.a.

⁴ Docket No. ACR2015, Responses of the United States Postal Service to Chairman's Information Request No. 2, question 19.b, January 19, 2016 (Responses to CHIR No. 2).

9. The Postal Service states that it “developed a shortfall report to compare the available air capacity by product type against the anticipated volume by transportation lane determined by modeling . . . [, which] identifies any (zero threshold) gap in the capacity on a daily basis.” Response to CHIR No. 22, question 10.a. Please provide the shortfall reports for FY 2015 and FY 2016.
10. The Postal Service provides a report of total national network delays comparing the volume of First-Class Mail delayed weekly from October 1, 2015, through May 12, 2016, to the volume of First-Class Mail delayed at the same time during the previous year. Service Response at 15.
 - a. Please provide this information, including the comparison to the prior year’s results) for October 1, 2014, through September 30, 2016. The response may use the format used in Figure 9. *Id.*
 - b. Please disaggregate the response to question 10.a. by Area.
11. With respect to First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard, please state the percentage of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that traveled by air and surface transit during each quarter of FY 2015 and FY 2016. The responsive percentages may be inserted into the following chart:

Percentage of Air and Ground Transportation First-Class Mail Single-Piece Letters/Postcards								
Fiscal Year	FY 2015				FY 2016			
Quarter	1	2	3	4	1	2	3	4
Air								
Ground								

12. The Postal Service describes a “rapidly expanding” pilot project to use “barcode scanning technology to identify the actual tender and retrieval of mail products from the air carrier locations.” Service Response at 10. Please detail the status

and state the estimated timeframe to complete nationwide implementation of this pilot project.

13. Please provide the number of critically late highway trips, defined by the Postal Service to be “[a]ny highway contract route (HCR) that is late more than four hours” during FY 2015 and FY 2016, disaggregated by fiscal quarter and District. Responses to CHIR No. 22, question 12.b.i. The responses may use a chart format similar to the format used in Appendices A through D (or a more practicable alternative). Service Response at 26-31.
14. The Postal Service states “[a]lready being developed for release by the end of FY 2016, the new SVWeb will replace TIMES.” Service Response at 13. Please confirm that SVWeb was released in FY 2016. If not confirmed, please state when SVWeb is expected to be released.
15. The Postal Service provides the percentage of pieces with AADC/ADC processing delays through FY 2016, Quarter 2, disaggregated by District and service standard, as well as separate tables specific to air and ground transportation. Service Response at 28-30. Please provide the national percentage of pieces with AADC/ADC processing delays for FY 2016, Quarters 3 and 4, disaggregated by service standard, as well as specific to air and ground transportation. The response may use the format used in Appendix C. *Id.*
16. The Postal Service reports on its initiative to advance processing of local Single-Piece First-Class Mail, when possible, for delivery the following day “[s]o far, over 11 percent of the 2-day mail and 5 percent of the 3-5-day mail is being processed in a manner that enhances the opportunity for delivery before the date implied by the applicable service standard.” Service Response at 13. Please provide updated end-of-FY 2016 measurements for this initiative.
17. The Postal Service states that it tracks whether processing facilities have First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service

standard that was processed after 15:00 hours on day before delivery (“Late”) or after 05:00 hours on day of delivery (“DOA”). Service Response at 17.

- a. Please identify the 10 facilities with the highest volume of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was Late during FY 2016. Please also provide the corresponding volume of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was Late during FY 2015. The responses may be inserted into the following chart:

Facilities with the Highest Volume of 3-5-Day First-Class Mail Single-Piece Letters/Postcards Processed After 15:00 Hours on the Day Before Delivery (“Late”)			
Facility	Corresponding District	FY 2016 Volume	Corresponding FY 2015 Volume
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

- b. Please identify the 10 facilities with the highest percentage of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was Late during FY 2016. Please also provide the corresponding percentage of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was Late during FY 2015. The responses may be inserted into the following chart:

Facilities with the Highest Percentage of 3-5-Day First-Class Mail Single-Piece Letters/Postcards Processed After 15:00 Hours on the Day Before Delivery (“Late”)			
Facility	Corresponding District	FY 2016 Percentage	Corresponding FY 2015 Percentage
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

- c. Please identify the 10 facilities with the highest volume of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was DOA during FY 2016. Please also provide the corresponding volume of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was DOA during FY 2015. The responses may be inserted into the following chart:

Facilities with the Highest Volume of 3-5-Day First-Class Mail Single-Piece Letters/Postcards Processed After 05:00 Hours on the Day of Delivery (“DOA”)			
Facility	Corresponding District	FY 2016 Volume	Corresponding FY 2015 Volume
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

10.			
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- d. Please identify the 10 facilities with the highest percentage of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was DOA during FY 2016. Please also provide the corresponding percentage of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was DOA during FY 2015. The responses may be inserted into the following chart:

Facilities with the Highest Percentage of 3-5-Day First-Class Mail Single-Piece Letters/Postcards Processed After 05:00 Hours on the Day of Delivery ("DOA")			
Facility	Corresponding District	FY 2016 Percentage	Corresponding FY 2015 Percentage
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

- e. Please identify the 10 facilities with the highest volume of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was both Late *and* DOA during FY 2016. Please also provide the corresponding volume of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was both Late *and* DOA during FY 2015. The responses may be inserted into the following chart:

Facilities with the Highest Volume of 3-5-Day First-Class Mail Single-Piece Letters/Postcards Processed After 15:00 Hours on the Day Before Delivery (“Late”) <i>and</i> Processed After 05:00 Hours on the Day of Delivery (“DOA”)			
Facility	Corresponding District	FY 2016 Volume	Corresponding FY 2015 Volume
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

- f. Please identify the 10 facilities with the highest percentage of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was both Late *and* DOA during FY 2016. Please also provide the corresponding percentage of First-Class Mail Single-Piece Letters/Postcards subject to the 3-5-day service standard that was both Late *and* DOA during FY 2015. The responses may be inserted into the following chart:

Facilities with the Highest Percentage of 3-5-Day First-Class Mail Single-Piece Letters/Postcards Processed After 15:00 Hours on the Day Before Delivery (“Late”) <i>and</i> Processed After 05:00 Hours on the Day of Delivery (“DOA”)			
Facility	Corresponding District	FY 2016 Percentage	Corresponding FY 2015 Percentage
1.			
2.			
3.			
4.			

5.			
6.			
7.			
8.			
9.			
10.			

18. The Postal Service provides the percentage of EXFC First-Class Mail Single-Piece Letters/Postcards that have already missed service standard by Last Processing Operation through FY 2016, Quarter 2, disaggregated by District and service standard. Service Response at 31. Please provide this information for FY 2016, Quarters 3 and 4. The response may use the format used in Appendix D. *Id.*
19. The Postal Service provides the percentage of EXFC First-Class Mail Single-Piece Letters/Postcards with “Last Mile” failure through FY 2016, Quarter 2. Service Response at 19. Please provide this information for FY 2016, Quarters 3 and 4. The responsive percentages may be inserted into the following chart:

Percentage of EXFC First-Class Mail Single-Piece Letters/Postcards with “Last Mile” Failure		
Fiscal Quarter	FY 2016 Quarter 3	FY 2016 Quarter 4
2-Day		
3-5-Day		

20. The Postal Service attributes Last Mile failures to “mailpieces that have been through processing more than one time” which are tracked using Mail Handling Tracking System (MHTS) Looping Delivery Point Sequence (DPS), “out-of-sequence errors caused by specific events during delivery point sequencing” which are tracked using MHTS Pre-M, “mis-sent, mis-sorted, and mis-sequenced mail found in [carrier’s] DPS volume” which are tracked using 3M Case, and missed scans which are tracked using Hot Case. Service Response at 19-20. Please attribute the sources of FY 2016 Last Mile failure, by percentage, to each

of these categories of failures or other. The responsive percentages may be inserted into the following chart:

Percentage Source of Last Mile Failures in FY 2016				
Processed More Than Once (MHTS Looping DPS)	Out-of-Sequence Errors (MHTS Pre-M)	Mis-Sent/Sort/Sequenced (3M Case)	Missed Scans (Hot Case)	Other

21. What volume and percentage of First-Class Mail Single-Piece Letters/Postcards was subject to the overnight, 2-day, or the 3-5-day service standards for FY 2015 and FY 2016? The responsive volumes and percentages may be inserted into the following chart:

Volume and Percentage of First-Class Mail Single-Piece Letters/Postcards				
Fiscal Year	FY 2015		FY 2016	
Response	Volume	Percentage	Volume	Percentage
Overnight			Not applicable	Not applicable
2-Day				
3-5-Day				

By the Chairman.

Robert G. Taub